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82D CONGRESS, 2d Session } SENATE { REPORT No. 2067

AUTHORIZING THE SECRETARY OF THE ARMY TO TRANSFER CERTAIN LAND IN THE VIRGIN ISLANDS

JULY 2 (legislative day, JUNE 27), 1952.—Ordered to be printed

Mr. HUNT, from the Committee on Armed Services, submitted the following

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REPORT

[To accompany H. R. 5198]

The Committee on Armed Services, to whom was referred the bill (H. R. 5198) authorizing and directing the Secretary of the Army to transfer certain property located in St. Thomas, V. I., to the control and administrative supervision of the Department of Interior, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE OF THE BILL

The purpose of this measure is to direct the Secretary of the Army to transfer, without reimbursement, to the Department of the Interior, Fort Segarra and Crown Mountain air warning site, both located in the Virgin Islands. The reasons for effecting the transfer are shown in the attached letter from the Secretary of the Interior to the chairman of the House Committee on Armed Services.

EXPLANATION OF THE BILL

Transfer of Fort Segarra

Fort Segarra, which comprises approximately 500 acres, was acquired in 1944 at a cost of $10,000 and was improved by the construction of barracks and attendant facilities at a cost of $1,583,000. During the war it was used as a harbor defense installation. Since August 1950, it has been under permit to the Department of the Interior. There is no further need for this property by the Department of Defense and there is no objection therefore to its transfer to the Department of the Interior. The estimated current market value of the installation in its present state is approximately $60,000. Its

estimated net salvage value is approximately $20,000 less the expense involved in the demolition and removal of any concrete or concrete block walls and other similar permanent construction.

Transfer of Crown Mountain air warning site

Crown Mountain air warning site, which comprises 26.72 acres, was acquired by the United States in 1941 and 1942 at a cost of $3,462 and was improved at a cost of approximately $265,000. It was utilized during the war as an air warning station. There is no further need for this property by the Department of Defense and there is no objection therefore to its transfer to the Department of the Interior. The estimated current market value of this installation is $35,000. Its net salvage value is approximately $3,300 which does not take into consideration the cost of removal of concrete structure and other similar permanent construction.

RECOMMENDATIONS OF DEPARTMENT—COST DATA

Enactment of this measure into law would not involve the expenditure of any Department of Defense funds.

The Department of Defense favors the proposed legislation and the Bureau of the Budget advises that it interposes no objection, as is evidenced by the letter of the Secretary of the Army which is hereto attached and made a part of this report.

The views of the Department of the Interior are set forth in the attached letter, which is also made part of this report.

JANUARY 28, 1952.

Hon. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. VINSON: Reference is made to your request to the Secretary of Defense for the views of the Department of Defense with respect to H. R. 5198, Eighty-second Congress, a bill authorizing and directing the Secretary of the Army to transfer certain property located in St. Thomas, V. I., to the control and administrative supervision of the Department of the Interior. The Secretary of Defense has delegated to this Department the responsibility for expressing the views of the Department of Defense thereon.

The Department of the Army on behalf of the Department of Defense has no objection to the above-mentioned bill.

The purpose of this measure is to direct the Secretary of the Army to transfer, without reimbursement, to the Department of the Interior, Fort Segarra and Crown Mountain air warning site, both located in the Virgin Islands.

Fort Segarra, which comprises approximately 500 acres, was acquired in 1944 at a cost of $10,000 and was improved by the construction of barracks and attendant facilities at a cost of $1,583,000. During the war it was used as a harbor defense installation. Since August 1950 it has been under permit to the Department of the Interior. There is no further need for this property by the Department of Defense and there is no objection therefore to its transfer to the Department of the Interior. The estimated current market value of the installation in its present state is approximately $60,000. Its estimated net salvage value is approximately $20,000 less the expense involved in the demolition and removal of any concrete or concrete block walls and other similar permanent construction.

Crown Mountain air warning site, which comprise 26.72 acres, was acquired by the United States in 1941 and 1942 at a cost of $3,462 and was improved at a cost of approximately $265,000. It was utilized during the war as an air warning station. There is no further need for this property by the Department of Defense and there is no objection therefore to its transfer to the Department of the Interior. The estimated current market value of this installation is $35,000. Its net salvage

value is approximately $3,300 which does not take into consideration the cost of removal of concrete structure and other similar permanent construction.

As indicated above, these properties are excess to the requirements of the Department of Defense and the Department of the Army is the disposal agency for them. Notwithstanding the foregoing, it is recommended that the Administrator of General Services be afforded an opportunity to comment on this measure in view of the responsibilities of that agency with respect to the disposal of property generally.

Enactment of this measure into law would not involve the expenditure of any Department of Defense funds.

This report has been coordinated among the departments and boards in the Department of Defense in accordance with procedures prescribed by the Secretary of Defense.

The Bureau of the Budget advises that there is no objection to the submission of this report.

Sincerely yours,

FRANK PACE, Jr.,
Secretary of the Army.

DEPARTMENT OF INTERIOR,
Washington, February 29, 1952.

HON. CARL VINSON,
Chairman, Committee on Armed Services,
House of Representatives, Washington 25, D. C.

MY DEAR MR. VINSON: Further reference is made to your request for the views of this Department on H. R. 5198, a bill authorizing and directing the Secretary of the Army to transfer certain property located in St. Thomas, V. I., to the control and administrative supervision of the Department of the Interior.

I recommend that H. R. 5198 be enacted.

The bill would authorize and direct the Secretary of the Army to transfer to the control and administrative supervision of the Department of the Interior the Army installations known as Fort Segarra (Water Island), and Crown Mountain air warning site, located in St. Thomas, V. I., together with the improvements located thereon. These areas have been determined by the Department of the Army to be excess to its need. The Water Island area comprises 500 acres of land, more or less, and the Crown Mountain air warning site consists of approximately 27 acres. The type of improvements which have been constructed on these sites are of a permanent (reinforced concrete) and semipermanent (concrete block with corrugated metal roofs) nature. Estimates received informally from the Department of Defense indicate that the gross salvage value of materials which might be taken from these sites would not exceed $35,000. However, the cost of salvaging and removing these structures would far exceed the gross salvage value of such materials. Moreover, the very limited potential market in St. Thomas, V. I., for these materials if salvaged would make any type of salvage project economically impractical. Due to the nature of the improvements at both installations, it is considered that they have a high potential value for use in place, through conversion for commercial use.

As you know the development of the economic resources of the Virgin Islands has long been a matter of deep interest to this Department. One of the most promising aspects of the program for economic development in the Virgin Islands has been the expansion and realization of the tourist potential in this area. Notable progress in this connection has been made in the last several years with the opening of several new hotels in the Virgin Islands. With skillful planning and sound administration the Water Island and Crown Mountain air warning site properties can probably be developed in such a manner as to contribute substantially to the economic life of the Virgin Islands. It is apparent that it is not the primary function of the Department of the Army to use these properties for developmental purposes. Placing these properties under the administrative supervision and control of the Department of the Interior would do much to insure their development in such a manner as to contribute most effectively to the economy of the Virgin Islands.

The Bureau of the Budget has advised that there is no objection to the submission of this proposed bill and report.

Sincerely yours,

MASTIN G. WHITE,
Acting Assistant Secretary of the Interior

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